



RHODE ISLAND BAYS, RIVERS, & WATERSHEDS COORDINATION TEAM

March 15, 2007

2:00 – 4:00 p.m.

**Narragansett Bay Commission Boardroom
Providence, Rhode Island**

Meeting Minutes

Coordination Team Members in Attendance: Meg Kerr (for Sharon Pavignano), Ray Marshall, Michael Sullivan, Mike Walker (for Saul Kaplan),

Other Meeting Participants: Kip Bergstrom, Kevin Hively, Richard Ribb, Tom Uva, Sandra Whitehouse, Jeff Willis

Coordination Team Staff: Colt, Stanziale

Kip Bergstrom & Kevin Hively's Presentation on the Economic Monitoring Collaborative

Bergstrom and Hively began by distributing a rough draft of a report for the Economic Monitoring Collaborative.

According to legislation, the purpose of the Economic Monitoring Collaborative is to produce a monitoring strategy that would inform the promotion of what would be called sustainable economic development of the water cluster, and then also provide information to adapt the Systems Level Plan to changing conditions. They are approaching this task in alternating cycles, looking at a broad set of metrics-roughly every two years; some of the databases are not refreshed more frequently than every two years. The things that they measure do not change fast enough to merit annual measurement. The most cost effective way for them to track trends in the measures they are looking at is to do it every two or three years. In between time is spent focusing on specific areas that are suggested by the data that is dealt with on a broad scale.

Bergstrom presented the “water cluster,” which consists of seven different elements: fishing & aquaculture, boat-building & ship-building, defense, sometimes security in marine technology, marine recreation, marine tourism & events, water-intensive

industries (industries that use water at twice the average rate), water-born transportation, and then marine coastal research and advocacy. These data aggregate into three types: literally water-dependent, water-related (may have been water-dependent at one point, but now water is more of an amenity, than a necessity), and watershed-dependent. The water cluster has basically been sized by these three different subsets, and looked at four different dimensions of economics and recreational use of bay, rivers, and watersheds economic activity and _____ capacity. At this point, Bergstrom introduced Kevin Hively, and said that he would provide the group with a sense of how they ended up at this point, why they chose the 28 indicators that they chose, and what they have revealed.

Hively began by stating that you cannot have a monitoring system, if you cannot actually collect the data; meaning, you may want a piece of information, but if there is no easy, cost-efficient way to get it then you must test yourself as to whether or not you want to do that.

1. Relevant: Does it support the point you're trying to make?
2. Indicative: Tells us something about overall performance.
3. Balance: Became particularly important as they looked at Bay, Watershed, and Coastal area, because it is a fairly complex set of different dynamics which take place.

3 Different Approaches:

1. Fact Book: Simple, assembled data.
2. Index: Think of CPI model
3. Scorecard: Used by EPC, corporate approach.

They utilized a series of steps: they began with 57 numbers and boiled them down to 25 or 30. They used the learned judgment approach: consulted a group of people involved in the industry, asked for their input, and put together a series of numbers. It is as perfect as the group is perfect, and is clearly subject to change. Now they are in the process of beginning to finalize the scorecard.

The numbers in this draft are different from the numbers on the screen for one reason: they are more recent than that. The kinds of economic measures that were examined: food & beverage sales (for purposes of the audience), the value of commercial fish landings, change and registered boats. The reason why they wanted to do this on the economic side was to give people a flavor of the different aspects of the Bay economy without doing such a deep dive that they could not get themselves outside of the data. They wanted to be certain that there were indicators for tourism, fishing, the boating industry; and the fact of the matter is that there are some industries in RI that are dependent upon water-based trade; there are also some major drivers of employment which are tied to it; and, in all honesty, one thing that is largely sold in RI is the lifestyle. RI is still relative to the market place that we live in: the Hamptons, Long Island, all the

way up to Bar Harbour, Maine is one of the least expensive coastal markets in the country.

Total Bay employment, which is the big water cluster, represents about 36,000 people (\$1.8 Billion) that is direct employment, not multipliers on top of that. Most of the multipliers that are used are national multipliers that are then paired down the states based on allotment issues. One of the issues he has experienced with the multipliers is that their firm did some defense & tax studies, and they actually got the vendor lists and vendor sales for some of the largest defense companies in the state. They were aware of what the multipliers were, but the two did not match. In fact, the multipliers were substantially higher. The other issue was the t*****s in RI and most of the major industries that are advertised: typically their two largest expenses are health insurance and electricity costs, and so their actual economic impact is not quite what they think; or, because of those issues they felt it was best to remain at the very direct level. He referred to Kip's point about the boating industry: they need to figure out exactly how far into the economy the boating industry actually reaches.

The water sector change consists of nine industries which are water-dependent (ferry services, *****-operation, fishing industry, marinas/ boats); basically, if you are not on the water, or you do not have a very close proximity to the water, then you do not have a business. The number 2.26 represents the rate of change of RI over the nation, meaning that those nine industries were on their employment groove 2.26 times faster than *****.

At this point Colt interjected in order to emphasize the fact that it is important to reach an agreement on the measures that they are going to be using, as it is to actually collect data on it; because they not setting the list of indicators that they are going to be tracking year in and year out, or on a bi-annual or tri-annual basis. He asked if he (Hively) felt comfortable with the Economic Monitoring Collaborative having thought this through. He did not feel that it was fair to ask the CT members to get rid of one and add the other.

Bergstrom added that he felt it was important to take the numbers in question, and tell a story with them. He explained that as time goes on, some things do not seem as important as they do in the beginning (when you are tracking something), and vice versa.

Hively added that the coastal land value as a percentage of total land value, that is based upon nine communities on which we could easily collect tax-classification data, pull it together, analyze it, and put it into a GIS system using a one-quarter polygon to define the coast. Those communities are weighted: Providence, East Providence, and Cranston. The reason why the number becomes intriguing is because East Providence-the coastal land (quarter-mile polygon) represents 22% of its acreage, but only 20% of its ***** value. However, in Charlestown, its 18% of its acreage, 64% of its ***** value. Given the way that schools are funded, there is a very direct relationship between the value of the coastal property and their tax *****.

At this point, Mike Walker interjected to ask about Providence and Fall River (?) does this also include Quonset?

Hively responded that yes it does, and no it does not; the reason being because Quonset does not have dredging fees. They tried to account for the tonnage according to the weight of the gross tonnage capacity of the vessels. When you take the ***** data, the a gross tonnage capacity of the state is actually smaller than the *****. It does not reflect it, but it is close enough.

Walker asked if when he is talking about employment, is it regional employment, or strictly RI employment.

Hively replied that it is strictly RI employment, including the Newick Base, the War College, plus Aquidneck Island; but it does not include the defense contractors. They are not capturing RI employment across the border.

Concerning activity measures (things that are actually taking place): US Coast Guard Registered Event. The first number is the number of events that were registered. Another way to think of it is to basically take the summer season in RI as 110/120 days. Commercial vessel transits, freights and the cruise; the transits are coming and going forward and coming back Residential value/ coastal sales basically ***** the MRS. Recreation participation, the number up there is different from what he has; his number is 24.

Basically, it is taking nine different items of water-based recreation activities and adds them all together and divides them by nine, and then you will come up with an average. Boating usage-recreational, based off of coast guard data. The first number is with motor boats, the second number is with sailing craft with an engine on it-the number of days of usage. They're still working on commercial fishing. The DAS means that the number of boats multiplied by the total number of dates that they are allowed. This is a fairly complex calculation.

They cannot do absorption yet, because they are looking at a one-year photograph, based on those nine or eleven communities, and this is what the distribution of use actually looks like-it is amazing that 10% of the land is vacant (coastal). Conflict measures-the fact that these kinds of relationships exist, are potential causes for problems. For example, the slips ***** the registered boat ratio (which is reversed), is an indication that there is a continued demand for marina slips. They are still trying to calculate the recreation coastal value/industrial coastal value, and it will be based off of those nine communities. This one is important to them because, again there are a number of industries in the state which are dependent upon the water, and as that deferential grows, the pressure to convert industrial land to residential land has increased. At some point, there will probably have to be some kind of policy on marine industrial land use. It is something that must be considered, if they want to preserve that industry.

Walker interrupted to ask how they are planning to account for something like Gianova? Hively responded that it will show today as industrial, and then over time this number will go down, and that number will go up. You would actually be able to see that change

take place over time. Then, what will become important is why they wanted to do the other indicator about the relative spread between residential coastal value and industrial. He surmises that how that changes, is going to become a factor of what that looks like.

Curt Spalding asked if people compare that rate to other places.

Hively answered that he feels that is something interesting because he thinks that our land value on the coast is so inexpensive, relative to the land value in most of the rest of New England, that there just is not any reason to.

Spalding made another comment about the value of coastal land.

Hively responded that this is the same problem with farmland; the only way to preserve farmland is by literally placing it in a trust. The one issue with that number is that the way the data is collected is for the entire Metropolitan area, so it understates the impact of seasonal housing on South County/Newport County. The other side of it is that he could show them other counties in Maine, New Hampshire, and Massachusetts where the number is much higher as a percentage of their stock. Even then what exists if you compare census data, but the problem is that, at this point, census data is eight years old. But this is something to watch, because there are a lot of implications for housing prices, and how the state spends that \$50 Million.

Walker asked if this was census data that is looking at a piece of property that is used primarily as a second home. How does that account for Bonnet Shores, the summer rental versus the URI rental?

Hively explained that those would be counted as rental houses. There are some issues with the actual specifics of data. He feels it is not a matter of how accurate the data is, because this data is inaccurate for everybody across the country because of all these different issues. It is more about the order of magnitude, because of the pressure it puts on housing prices. Most of the buyers are from New York and Connecticut, and are looking for summer homes. This will jack the housing prices up.

There is an issue, but when you look at everything from transportation planning in the coastal communities to water-use planning, having a sense of what this number is really important to have a sense of which way it's moving due to the implications on the infrastructures as well as the implications on housing. Finally, capacity measures (the ability to do things), they had originally thought of putting land in here but they removed it and put it on the activities side. The question is: what is our ability to do things? A couple of these numbers, the permitted slips and the transient slips, are somewhat proprietary numbers based on work he (Hively) has done for private developers. They are not exact numbers, because he did not think they would appreciate that.

Ray Marshall inquired about the Municipal allowance for parking. Is Hively comfortable with the 25% increase issue? Is it worthwhile to automatically assume the 25%

expansion? He cautions that it may be difficult to figure out when you can expand, or not.

Hively agreed that this was a fair point. He went on to say that if you are measuring the capability to do something, theoretically they could do it and the zoning can be changed with the *****, particularly if someone can point to it and say there is excess amount of property tax revenues, etc. It is a fair point to back those out. It looks like at every intention that HOOD (?) is going to get billed out of some scale, so for purposes of this they decided that it can build up to 1500.

Again, to tie back to how these things are related, permit slips in the marinas and the registered boats are tied back to the conflict issues that inform about the market pressures to build more marinas. The marinas, in turn, the water-dependent sector employment is the largest single component of the amount; it's almost half; almost six percent of the whole number. Boat-building in RI is not really boat-building, most of the revenues are actually tied to service of boats, and those are tied to the number of boats that are ***** Rhode Islanders. This was the easiest way for them to show linkage across these different things, making sure that they understood they were distinctly different issues, but they are directly related.

Bergstrom interjected to say that they would like to receive comments from the CT members over the next couple of weeks. They are going to continue to work on this draft during that time, but once they have all the comments they can complete it.

ABC mentioned that he and Sandra Whitehouse were having some discussion about what to do with the hearing, and one of the things they came up with was to have a draft of the report available for Thursday to show what the outputs are for the investments that were made.

Bergstrom replied that he thinks they could provide that, but it is important for them to be able to check the numbers (there are a couple that are missing). They feel that the numbers would be better presented as a map with ranges, rather than just a number. There are two extremes with the government expenditure numbers: total numbers (78 Million), and then there is the project detail in the back, and there is intermediate stuff in between which aggregates things that are related to water quality, recreation, and ***** They particularly want to check the government expenditure numbers. When their intern was going through it, trying to track numbers they received from the Ad Hoc team back to the capital budget-some of the numbers didn't match. There may be a lot of reasons for that; they just want to make sure they have the correct numbers.

Bergstrom feels they should strongly consider the story that this first set of numbers tells them, so that it is not just a set of numbers and a process. The stories will be more compelling over time as they move from a baseline to a trend, but there are some surprises that defy the tribal (?) knowledge, and he feels they should highlight that. The impact of the defense industry and the overall cluster is perhaps a lot bigger. The percentage of the manufacturing base had a fairly intensive usage of waters. The size of

the seasonal market seems smaller. As soon as they got these numbers, they thought it would be nice to know what the US average is, or of some comparative state; but there isn't really much they can do with the numbers if you don't have a benchmark to compare it to, so they need to develop that. For those of these numbers that they can actually impact, they need to set goals for them, such as what they want the number to be five years from now. If they are not willing to set goals, and hold themselves accountable for achieving these goals then there is no purpose to the monitoring.

They were tracking these numbers for about five years, before they achieved good benchmarks, and where they worked with the council-ten-year goals. Some of these they already have benchmarks for, the sooner they can get benchmarks the better. Advises that they may want to hold off on declaring a specific goal until there is a better sense of what is going on. They are not suggesting that that could happen in this report; it would be next year or the year after. The scorecards they issue quarterly are quite accessible, and featured in the Providence Business News; but it's not a report, it's a score card. They may want to think of the report as being like one of their other scorecards. He feels that more people would read that, as opposed to reading through the report.

Colt suggested the PAC chip may be able to assist with developing environmental monitoring data into a similar format.

Bergstrom concurred and added that they have been doing the environmental monitoring and the economic monitoring as two separate parallel efforts, but clearly a crosswalk is needed. Suggests that they have a Bays, Rivers, and Watersheds Score Card which includes both Economic and Environmental issues. They are not sure what that would look like yet, because they have both had their separate analytical processes so far, but they feel its time to start discussing how to combine the two.

Hively commented about cause and effect relationships:

1. For the ability to forecast in the future –Its important to be able to do this, because right now the context is set, whether it's just economic or environmental. The approach right now is that they are separate.
2. (?)

Chip young commented that he agrees with Bergstrom. The two have not been linked and solidified enough. It is important to show links between Environmental and Economic impacts; feels they should aim for a standardized one.

Colt advises that they cannot give Save the Bay a "thou shalt not." There will always be competing views and debates, but it would be nice to have something from the government that is fairly consistent.

Sandra Whitehouse remarked, in regard to the House Finance Committee, that in terms of making sure they get funding they need to make it clear-what is the stuff they really care about. Is there some way to combine the two tables that Ames has; and say “this is important because it’s a baseline.” Maybe comparing it to another state. She feels it is important to say that this money was spent, data was collected, and this is our baseline value, so we can measure it in the future.

Bergstrom replied that they will produce a hand-out, which Ames can use as a teaser. He also wanted to highlight the fact that they are in the process of looking at coastal land use and how that relates to land use and the CRMC water use classification and water quality standards. They did an example of North Kingstown preparing land use with CRMC/land use with DEM. The only constraint on them having done this for all the coastal accounts this year, is the state of the data at the town level-some do not have it electronically; some do, but they are reluctant to give it up. His assumption, which has so far not been diminished by the data, is that the problem is not on the water; it’s on the waterfront.

Proposal from Terry Gray, RIDEM Assistant Director for Air, Waste, and Compliance

At this point Terry Gray was introduced. He began by discussing the fact that there is a lot of interest in redeveloping some of the historical/industrial properties along the waterfront in Providence and East Providence: the Ocean State Steel Property, (East Side Development), Philipsdale landing, and the Save the Bay facility. There are a lot of projects in the pipe line right now. There have been a lot of past dialogues with stakeholder groups, workshops, and the legislative commission to discuss the most efficient way to deal with these projects. Overall, the message that has been sent is that inter-agency coordination is a big deal, and the idea of making sure that our different regulatory processes are coordinated to ensure that we are getting correct, consistent, and timely answers to these redevelopments. Over the past year or so, they have been looking for ideas in regard to coordinating. They would like to use a subcommittee approach on the CT to engage and share information and coordinate as much as possible on the waterfront redevelopment projects as they come up. He proposes that they use this approach on the Kettle Point project, which is a 40-acre property in East Providence. Historically, it has been used as two oil terminals; both are owned by British Petroleum. Gilbane has a purchasing sales agreement to turn that sight into 280 residential units and 15, 000 feet of commercial property. There will also be 14 acres of open space, and a new activity point with the East Bay Bike Path. There will be a lot of involvement from DEM’s perspective, CRMC, EDC, etc. He proposes that they put a team together to work on this and share information. Also, he would like to explore the idea of perhaps coordinating some of their review processes, coordinating public meetings as much as possible. If that works out, there will be some more challenging projects coming down the line that will have bigger issues available: the Chevron Terminal, Cargill, Hartley, and Johnson & Wales projects.

Colt remarked that it would also be beneficial to use this as the basis for developing the components of the Systems Level Plan, which deal with open space, brown fields, and

redevelopment. He asked if there should be a motion to agree to the subcommittee, and if so, what would the wording of it be?

WMS recommended that they empower Terry to reach out to members of the CT to assemble initial subcommittee and organize the framework.

Motion was passed to empower Terry to do this.

CT Administration

Colt reminded all that he moved the next meeting back to April 4th and apologized for the rescheduling.

The CT passed a Motion approving the minutes from its last meeting on February 2, 2007.

Presentation to House Finance Committee

On March 22nd Colt would be presenting before the House Finance Committee on Article 50, which is designed to underwrite the FY08 monitoring proposal. The proposal is based on what the Environmental Monitoring Collaborative sent to them in September. It has been refined several times, and he added an economic monitoring piece, a one-page introduction, refined the language in each monitoring program discussion, updated numbers relative to what was inserted into the governor's budget. Whitehouse suggested that they put the Economic Monitoring one-pager up front, followed immediately by screen gage and other fresh water monitoring programs; however, she did not think that fish tissue was a huge priority for the house membership to look at. He testified before the Joint Senate Committee hearing on water on 3/14, and handed out article 50. He is open to any additional changes that anyone thinks should be made.

Meg Kerr questioned why some of the numbers (under funding) have changed. Was it through the monitoring collaborative? She wanted to know about the process of changing them.

Colt responded that the numbers have changed from the original request from the Environmental Monitoring Collaborative. It changed because Colt received a call from the Governor's office in December, telling him to submit a budget of \$1 Million. He had very little time to do this. He consulted with Sue Kiernan and a few others, and they went through the numbers and brought it down to \$1 Million. They are still pretty much keeping everything going that they originally proposed to fund, but things will proceed more slowly. He kept the Economic Monitoring Collaborative piece intact because they are getting much less overall.

WMS recommended that someone's contact information should be put on the document.

Colt said he would like to make this document available at the hearing on Thursday. He will definitely make the changes that Sandra suggested. He also needs to verify the

accuracy in some of the numbers in some of the projects. Presently, it is still a living document; but they still need to nail it down, get it right, and distribute it broadly.

WMS advised that all editorial comments should be submitted within the next 72 hours, then contact information should be added, then color copies should be made.

Colt said that they needed to do a Sub-A amendment to Article 50 on the sub-Atlantic cables. Again, with the way its worded now, there is only one company that operates these cables we would be inadvertently limited to charging them one fee. They will be sure to charge a fee per cable, and it would hopefully be four cables which were permitted and in the ground now, not just the three that are active.

There is one sentence that needs to be modified (something mentioned by Whitehouse) Colt's research has indicated that \$80, 000 per year per cable is exceedingly high relative to what other states are doing. He suggests that they go to \$40,000. That will reduce how much money they get out of this, but it is appropriate and demonstrates diligence on what the rest of the country is doing. New York is particularly aggressive, they have many international cables. This is an issue that is going to have to be looked at again in terms of cables. Certainly, it opens the door to considering submerged land fees in general (controversial to people who use submerged lands presently at no charge).

Mike Walker interjected to ask if article 50 originally was looking to generate \$240,000 of submerged cable. But Colt is proposing to bring it back down to \$160,000. How do they fill the gap of \$80,000 that will not be collected if it passes?

Colt replied that the easiest thing for them to do would be to raise the septage fee.

WMS added that it would not be collected until July. He also asked if they accept it, how do you adjust it? They will not be able to move these projects forward. Walker asked how much septage is being dumped right now. WMS replied that the amount is highly varied.

Walker observed that essentially it is a restricted receipt that goes toward performing tasks which are appropriated by the General Assembly.

Colt added that they are trying to set up a system as much as trying to acquire a specific dollar amount. He will try to emphasize the fact that they are trying to get something more than a grant.

WMS would also like Ames to convey the fact that the CT needs the extra million dollars, not DEM.

Whitehouse said that she has already asked Ames not to say that they are "strong" (?). She thinks they should hide that.

Curt Spalding mentioned that there is a fee which is paid, and goes into the general fund. Is it possible that some of that could be devoted to monitoring?

Colt responded that he thinks if Spalding were to look at the additional funds that are supporting the monitoring programs, WRV is putting some of that money into this already. He went on to ask Whitehouse whether or not this is somewhat of an up and down vote, either they are going to get the fee structure in place, or they are not. Is it possible that they will say do the cables, and not touch the septage?

She replied that it is a possibility. She wanted to know if Colt would be doing the presentation, and then have other members of the team sitting at the table with him. Would he try to include other presenters in the twenty-minute timeslot?

Colt stated that the only time he has testified before house finance was for the URI Land Grant/ Sea Grant Bill...he is very open to ideas. He feels it would probably be best not to have a parade of speakers crammed into a twenty-minute timeslot. It would also be good to have as many CT members present as possible, as well as Save the Bay, Chip, and the subcommittee chairs.

Whitehouse mentioned that it is also important to find out if anyone will be coming from the Cable Company. She urges that he be prepared for people who will oppose these two things.

Young was concerned about what the opposing points to their arguments might be. What about media?

Colt mentioned the article by Peter Lord, and the radio show done by Bob *****. He has also spoken to Providence Business News. He could revisit with these people, or check with others. He also says that he fully expects the argument: "How can we be spending more on monitoring, if we cannot insure all the children we want to ensure in the state?" This was a question from Senator Blaise, and he fully expects a similar question from the House Members.

Whitehouse recommends that he remind them that they are creating a fund proposal, and taking money from the people who are creating the impact that needs to be monitored.

Colt added that the other argument he has utilized is that if they are going to get into ecosystem management, the data needs are going to be greater; that is the next step in environmental management. They need to start focusing on this even if they do not have a lot of money. He thinks he can pull this all together, put it in writing, and is willing to accept comments from the members. In terms of how Ginaitt has responded publicly or how Senator Blaise responded to the proposal-these are the things that are foremost. He imagines it will be fifteen minutes for the presentation, and five minutes for questions.

WMS suggests that Colt should work on his timing: it will be more like ten minutes for the presentation, and ten minutes for questions. He should also be prepared to be interrupted, so he can drop back into his presentation at any time.

Colt answered that he should be able to devote most of his attention to preparing for this. He said that he will be meeting with Whitehouse and Representative Naughton on Tuesday.

WMS added that he would ask anyone with a broader interest in the Bays, Rivers, and Watershed Environment of Rhode Island to be present at the hearing.

Colt said that this meeting is dedicated to all the miscellaneous fee requests. It is not an environmental set up, which will make it more difficult.

Walker inquired if this is the only time this bill will have a hearing.

Whitehouse reiterated that the House Members must feel that the money from last session was well spent. Unfortunately, they do not have a report to present to them at this time.

Young offered to work with Colt on the trends for 2006 (?).

Colt distributed a copy of the California Ocean Protection Council's Five-Year Plan, and would like them to consider it as another model for their planning efforts. The down side of it is that it would require a lot of public input; they would have to have a series of public hearings.

At 4 PM, a motion was passed to adjourn the meeting.

